United Nations Research Institute for Social Development

Solidarity Economy as Part of Popular Security Enhancing Practices

A Neo-Polanyian Conceptual Framework

Isabelle Hillenkamp
Research Associate
Institute of Socioeconomics, University of Geneva
and Swiss National Center of Competence in Research LIVES

Frédéric Lapeyre
Employment and Informal Economy Specialist,
International Labour Organization

Andreia Lemaître
Assistant Professor of Development Studies
Catholic University of Louvain, Belgium

Draft paper prepared for the UNRISD Conference

Potential and Limits of Social and Solidarity Economy

6–8 May 2013, Geneva, Switzerland

The United Nations Research Institute for Social Development (UNRISD) is an autonomous research institute within the UN system that undertakes multidisciplinary research and policy analysis on the social dimensions of contemporary development issues. Through our work we aim to ensure that social equity, inclusion and justice are central to development thinking, policy and practice.

UNRISD ▪ Palais des Nations ▪ 1211 Geneva 10 ▪ Switzerland
info@unrisd.org ▪ www.unrisd.org

Abstract

Based on a neo-Polanyian framework, this paper develops a conceptualization of solidarity economy as part of a 'popular economy' aiming at the securization of livelihoods. It relies on an original cross-analysis of case studies collected in *Securing Livelihoods. Informal Economy Practices and Institutions* (Hillenkamp, Lapeyre and Lemaître [eds.], Oxford University Press [*forthcoming*]). We argue that popular and solidarity economy can be analyzed through the four principles of economic integration identified by Karl Polanyi – market, redistribution, reciprocity and householding – when understood as modalities of interdependence. This conceptualization allows a critical distinction between solidarity, protection and domination. Besides, it draws attention to the formal *and* informal institutions of protection and solidarity and to the importance to explore cross-scale influences to formulate and implement relevant policies to strengthen adaptive capacities in the popular and solidarity economy.

Introduction

The concept of 'popular economy' (*economía popular*) can be traced back to the 1980s in Latin America. Introduced by sociologists and economists of the region, notably Razeto (1984), Coraggio (1994), Nuñez (1996) and Sarria Icaza and Tiriba (2006), it proposes a new approach to practices of production, financing, exchange and consumption outside the public and the private capitalist sectors. Three features of this economy are emphasized:

(a) popular economy is based on the use of labour and locally available resources (Coraggio, 2006);

(b) it follows a rationality of "reproduction of life" which does not ignore, but subsumes instrumental rationality (Hinkelammert and Mora Jiménez, 2009);

(c) it aims at securing livelihoods in contexts of vulnerability, prior to expanding activity or accumulating capital (Hillenkamp *et al.*, forthcoming).

This approach has found resonance in the Francophone development studies (notably Nyssens, 1994; Peemans, 1997; Charlier, 2006; Hillenkamp, 2009; Lemaître, 2009). More recently, it is also being used by anthropologists in the English-speaking world to address monetary transactions (Guyer, 2004) and financial practices (Hull and James, 2012) in contexts of high informality in Africa, taking into account "the embeddedness of economic practices and institutions in broader cultural milieus" (*ibid.*: 9).

Popular economy focuses on the logics of a wide range of activities, ranging from mere subsistence strategies to individual and family-based initiatives, micro- and small enterprises, unions of producers, associations and cooperatives. As an approach, popular economy is opposed to modernization theories which, by focusing on investment, productivity and competitiveness, widely ignore these inner logics. It also differs from informal economy. While informality may indeed be high within popular economy, the focus here is not on the relationship to the State and the process of rationalization (Hart, 2006), nor on the conditions of employment and lack of social protection (ILO, 2009). Popular economy recognizes the relationship with the public and private sectors and institutions starting from its own socioeconomic logics. Far from idealizing popular groups and practices, it has led, in particular, to a renewed debate on the internal expression of dependence in peripheral countries, by showing evidence of heterogeneous forms of labour control (Quijano, 1990) and the risk of subordination to national and international capital (Coraggio, 2006).

In the paper, we consider solidarity economy as part of popular economy. It helps contextualizing it, by considering it as part of multiple strategies implemented by individuals, families and communities to enhance the security of their livelihoods in contexts of vulnerability. It leads to address solidarity throughout the interdependences and multiple socioeconomic practices – consumption, debt and credit, production and exchange – and coordination mechanisms which help securing livelihoods. It leads to consider different types of relationships – from alter egos to hierarchy – and logics – from voluntary commitment to obligation – upon which solidarity can be based, avoiding any idealization. Giving priority to contextualization rather than defining solidarity economy as an "alternative" from the outset thus allows analyzing the tensions between solidarity economy and the market, considering the risk of distension of solidarity along with hopes of success and opportunities for emancipation.

Finally, contextualizing solidarity economy within popular economy helps us deepening our understanding of local capabilities and identifying the existing and missing connection to multiscalar public policies – i.e. public policies aiming at strengthening adaptive capacities and development dynamics at micro, meso and macro levels (Lapeyre, 2013). The idea that actors from the popular economy have capabilities, and not just vulnerabilities, has received increasing recognition in policy-making during the past 30 years (Scott, 1985; Anderson and Woodrow, 1989/98; Cannon, 2008). When this was "discovered" in the early 1970s, it signaled the beginning of a shift in perceptions about popular socioeconomic practices that went beyond automatically associating them with poverty and dualistic conceptions of the economy whereby they were the remnants of a traditional, pre-capitalist sector (Hart, 1973). Instead, popular economy actors came to be recognized for their capacity to combine production activities, the construction of networks of reciprocity and solidarity, and their adaptive capacities to secure their livelihoods despite the multiform vulnerabilities they faced (Trefon et al., 2004). This is at the heart of approaches which recognize that local social systems can, and do, self-organize, despite limitations and stress factors (Berkes et al., 2003). In many different places, people have been rethinking local risk management strategies and how scarce or declining resources should be allocated using multidimensional and associative strategies.

Setting the scene

This paper is based on a collection of case studies forthcoming in *Securing livelihoods. Informal economy practices and institutions* (Hillenkamp, Lapeyre and Lemaître [eds.], Oxford, Oxford University Press). The book's overall aim is to contribute to a broadening and deepening of our understanding of the logic and socio-economic practices of actors operating in the popular economy. It focuses on the vulnerabilities of these actors, resulting from high exposure to different risks combined with low social protection, and on the interactions between vulnerability and poverty. It considers the security of livelihoods as the guiding principle for multiple practices in this economy. Thirteen studies, based on careful analyses of first-hand qualitative and quantitative empirical data in different contexts in Africa, Latin America and Asia, contribute to this multidisciplinary discussion.

Especially, several chapters of the book analyze the adaptive capacities of popular economy actors. They describe how people develop their own strategies to solve their problems through the use of interpersonal networks, associations and other community-based arrangements. Moreover, they show that popular economy actors systematically reposition themselves vis-à-vis the State, markets, international and national policies with the aim of enhancing their economic and social security, and they may do this either individually or collectively. The book emphasizes how adaptability of the popular economy can be influenced by such factors as the macroeconomic context, access to financial, technological and information resources, infrastructure, social protection schemes and the institutional environment within which adaptations occur. The case studies stress the need to reformulate questions relating to policy intervention based on a more thorough understanding of the perspective of these actors.

Theoretical framework: towards a substantive understanding of the economy

We build on a *substantive* understanding of the economy derived from Polanyi's (1944) intellectual legacy. Polanyi sought to reconceptualize the economy in a pluralistic sense, moving away from a focus on utility-maximizing behaviour in a context of scarcity of resources (Robbins, 1932). He believed that for understanding an economy it is necessary to study all phenomena related to interdependencies, both among human beings and between human beings and their natural environment. Based on this understanding, he showed that societies embody a plurality of principles of economic integration – the market, redistribution, reciprocity and householding – in diverse ways in time and space.

The recognition of this plurality first draws attention to the multiplicity of existing resources: those originating from the market, redistribution mechanisms at various levels and those issued from relations of reciprocity as well as from the households. This recognition also leads to a reflection on the multiplicity of forms of exchange based on the principles of integration. More importantly, according to Polanyi, the principles represent the fundamental logic that gives unity and stability to the economic process (Polanyi, 1957: 249). The principles underlie different types of resources and exchanges, but are not limited to the sphere of circulation alone; they include all spheres of activity that make up the economy in a substantive sense: circulation and exchanges or transfers, as well as production, financing and consumption by which people sustain themselves. They represent ideal modalities of interdependence in these different spheres: interdependence resulting mechanically from price fluctuations in the case of the market; interdependence based on centralized systems in the case of redistribution; instituted complementarity, for example based on a symmetric pattern, in the case of reciprocity; and lastly, interdependence within a group through sharing – usually a domestic group – in the case of householding (Hillenkamp, 2013) (see table 1). The principles of economic integration therefore generate different types of institutional structures, which can be combined in multiple configurations. They form a conceptual framework that takes into account the diversity of socio-economic practices of popular actors, without assuming them to be evolving towards a model of a "modern" capitalist enterprise.

Table 1: Polanyi's principles of economic integration as modalities of interdependence in production, financing, exchange or transfer, and consumption

Principle	Reciprocity	Redistribution	Householding	Market
Type of interdependence	Instituted complementarity	Instituted centrality	Varying (instituted complementarity or centrality or other)	Mechanical competition
Type of institutional structure	Horizontal (e.g. symmetric)	Vertical (e.g. hierarchical)	Domestic group, in some cases autarkic	Market system
Logic of action	Obligation among peers	Obligation in a (personal or functional) centralized system	Sharing production and work for satisfying the needs of the group	Bargaining in one's own interest

Source: adapted from Hillenkamp (2013)

A closer observation of the way popular actors secure their livelihoods shows multiple patterns of petty accumulation based on a diversity of resources and types of interdependencies within families, communities, and professional, religious and other types of groups. These interdependencies not only give structure to economic practices; they also create different forms of protection, depending on the types of relationships mobilized: protection based on solidarity and obligation among peers, according to the principles of reciprocity or householding; vertical or hierarchical protection in the case of redistribution or other forms of householding.

It should be noted that the Polanyian approach to the economy has similarities with feminist approaches (Degavre and Lemaître, 2008). Indeed, it goes beyond the conventional approaches that have a narrow market and monetary view of the economy in order to highlight and legitimize all forms of production and circulation of goods and services, i.e. diverse economic means of securing livelihoods. In that sense, it sheds light on women’s contributions to the economy and on their role in social protection, in general, and in economic solidarity initiatives, in particular.

Polanyi’s principles of economic integration hence provide a heuristic framework for analyzing grassroots socio-economic practices for securing livelihoods. In the paper, we apply it to popular and solidarity economy. Solidarity economy is viewed as a set of practices aiming both at securing livelihoods and at democratizing the economy (Coraggio, 2002; Sarria Icaza, 2008; Hillenkamp, 2009; Lemaître, 2009). While popular economy encompasses diverse types of activities and organizations, one main common issue is the recognition of its economic and political structure. Solidarity-based initiatives could represent its “most advanced pole” (Sarria Icaza and Tiriba, 2006: 265): relying on a new application of the Polanyian principle of reciprocity in a context of democratic self-management, these initiatives have organized themselves at the political level in several countries, e.g. in Argentina, Bolivia, Ecuador and Brazil (Lemaître et al. 2011).

Coping with vulnerability in popular economy

Practices of popular sectors to face different risks in contexts of vulnerability analyzed in *Securing Livelihoods. Informal Economy Practices and Institutions* illustrate the value of this framework. Some of these practices rely on solidarity at the level of the family, community, informal institutions (e.g. rotating savings and credit associations, ROSCAs), associations or cooperatives. Others are individual or based on the market, e.g. through microcredit. Within this panorama, financial practices are, as Saiag (forthcoming) point out, “more than just technical solutions for smoothing individual consumption over time” (p. 174)[1]. They are a central piece of popular coping strategies. Analyzing this heterogeneous set of practices and institutions through the lenses of the principles of economic integration helps revealing their common potential for protection and allows to critically assessing the role of solidarity.

A first set of practices rely on householding. In several contexts, e.g. rural Morocco studied by Morvant-Roux, Guérin and Roesch (forthcoming) and South Kivu investigated by Le Polain and Nyssens (forthcoming), owning livestock or plots of land is common practice. It represents a form of in-kind or “reified” saving secured within the family. In South Kivu, it is used even among city dwellers who have otherwise access to formal saving through microfinance. In this case, members of the village look after their livestock or plots of land and are allowed to use the by-products. As Le Polain and Nyssens note, this kind of saving not only allows to “[satisfy] the family or clan’s needs” but also to “fulfill social obligations” (p. 158), which may explain the preference of city dwellers. Similarly in Bolivia, Hillenkamp (forthcoming) finds that rural migrants living in the city of El Alto near La Paz perform farming activities by sharing labor and production with family members living in the rural community. Together with farming in urban plots in El Alto, they represent forms of partial autarky protecting their access to food from market fluctuations. Householding as a principle for securing livelihoods is also broadly found in urban popular economy. In El Alto, families pool their resources (such as work force, know-how, savings, equipments and rooms) in order to develop one or more petty market activities. Here, householding takes the form of mutual sharing of risks and resources at the family level. Consistent with these findings, Saiag’s research in the city of Rosario in Northern Argentina shows significant practices of saving and lending embedded within kinship relations, according to logics of alliance and filiation. They are used to finance life-cycle events and to protect the household against specific risks, e.g. illness. They represent household level solidarity and protection mechanisms that “reduce the precariousness of their involvement in informal forms of employment” (p. 192) in a context of shrinking wage

[1] Unless otherwise stated, page numbers in the following refer to Hillenkamp et al. (forthcoming) where the case studies are collected.

employment. Saiag's analysis also reveals the existence of urban specific forms of reifying savings, based on the accumulation of housing materials, inputs for income generating activity and recyclable goods acting as safety-nets at the household level. However, householding is not necessarily limited to domestic institutions. It may be applied to the administration of the resources of productive organizations, as demonstrated by Vázquez' analysis of the cooperative *Union Solidaria de Trabajadores* (UST) in Buenos Aires (forthcoming): after ensuring the provision of its main service (collection, transfer and disposal of solid waste), UST "reassigns resources and additional work capacity towards productive activities aimed at satisfying the needs of the whole group of workers and/or the local community (for example, in the construction or repair of housing, or community equipment such as a club, a school or a health service)" (p. 138).

Reciprocity is another principle for enhancing the security of livelihoods. Lemaître's study of popular cooperatives in Southeast Brazil (forthcoming) identifies "politically-driven cooperatives" as a category of organizations relying significantly on resources stemming from reciprocity, e.g. through voluntary work. Even though their share is only 13 percent of total resources when converted in monetary terms, these resources play a key-role in enabling the disadvantaged workers in these cooperatives to become self-reliant and to set up proximity public spheres. Similarly, Hillenkamp's research in El Alto shows that producers are able to reduce vulnerability resulting from a disadvantageous position on the market by entering solidarity economy organizations. In the UST cooperative in Buenos Aires, Vázquez shows that reciprocity is crucial both among workers (in the organization of work, decision-making process and distribution of collective resources) and between workers and the community, in order to protect the workers from external threats and to meet the community needs through local development projects. Carvalho de França Filho, Scalfoni Rigo and Torres Silva Júnior's analysis of microcredit policies in Brazil (forthcoming) establishes a critical distinction between conventional microcredit and solidarity finance of which reciprocity constitutes a guiding principle. They show that in Brazil, conventional microcredit as "an instrument used to make small financial operations viable" (p. 211) has not proved able to reach the lowest income segments of the population. This analysis is confirmed by a series of critical assessment of the impact of microcredit in different contexts: in rural Morocco, Morvant-Roux *et al.* come to the conclusion that "[microfinance] supply is best tailored to consumption needs and to the needs of regular income households in peri-urban villages, rather than to those facing uncertainty and unpredictability" (p. 231). In Ouagadougou (Burkina Faso), Umuhire and Nyssens (forthcoming) find that micro-entrepreneurs consider microcredit to be business-oriented and use it mainly for commercial expenditures, confirming the distance between microfinance and solidarity finance based on reciprocity. In contrast, solidarity finance emerging from "forms of collective self-organization" at the community level enable people to "manage their own economic resources according to principles of solidarity, trust and mutual aid" according to Carvalho de França Filho et al. (p. 211). The case of the community development banks in Brazil shows the potential of solidarity finance as a "catalyst for promoting area development activities, simultaneously engaging in production, marketing and civic education" (p. 217). However, financial practices based on reciprocity may also be informal, as ROSCAs found in many contexts illustrate. Voluntary reciprocity, as opposed to reciprocal lending governed by social norms in kinship and community networks, is perceived as "stronger, easier and faster solidarity", as one respondent of Le Polain and Nyssens in South Kivu puts it. As Totolo (forthcoming) shows based on his study of social networks among micro and small enterprises in Nairobi (Kenya), they are indeed more flexible than formal services and provide a much needed support during difficult periods.

Lastly, securing livelihoods may rely on redistribution within a centralized system. In the politically-driven popular cooperatives of Southeast Brazil studied by Lemaître, resources stemming from this principle represent an average of 44 percent of total resources. They entail *public* redistribution, funded by compulsory contributions through public institutions, whether the Brazilian federal government, local governments or international cooperation agencies. They also entail *voluntary* redistribution, based on resources collected from international civil society organizations and channeled through local NGOs. As Le Polain and Nyssens observe, ROSCAs supported by local NGOs in South Kivu represent a similar case where the NGOs redistribute funds stemming from voluntary contributions collected from civil society in the North. In El Alto, Hillenkamp finds that solidarity economy organizations rely on resources distributed by local NGOs, stemming both from voluntary and compulsory contributions, that help the producers access training, funding and support programmes. These resources allow them to enter the markets in better conditions and reduce their exposition to demand and price fluctuations. Redistribution may further occur *within* solidarity economy organizations, as illustrated by the UST cooperative where funds are attributed to workers according to their number of children, specific problems and work-related accidents. Here they represent "internal agreements within the workers' collective that replace or complement the deficient coverage of social security from the state" as Vázquez notes (p. 137). Finally, redistribution also occurs within kinship and community networks, in the form of obligatory lending, symbolic and material exchanges required to maintain one's membership in the community, as illustrated by rural migrants studied by Hillenkamp in Bolivia.

Solidarity, protection and emancipation: complementarity and tension

Solidarity economy in the broad sense – referring not only to organizations such as cooperatives and associations but also to informal practices and institutions based on solidarity – is driven by the need for protection in contexts of vulnerability. It is therefore necessary to consider it within this context. Yet not all forms of protection are equivalent. Householding, reciprocity and redistribution all entail positive and negative aspects of interdependency. The definition of the necessities of the members of a group where householding prevails is not necessarily driven by equity, nor is the division of resources and labor mobilized to meet these necessities. In El Alto, Hillenkamp finds that gender roles among migrant families tend to become more differentiated and hierarchical than in rural communities. In some cases, petty market activities developed based on sharing resources at the household level may be driven by domination and exploitation according to sex and age, rather than fairness and support. As to reciprocity, it creates complementarities e.g. among workers and within traditional and new communities, but they rely, to varying degrees, on obligation embedded in social norms. Le Polain and Nyssens' distinction between *semi-voluntary* reciprocity embedded in kinship and community networks and *voluntary* reciprocity in informal self-help groups like ROSCAs helps understanding why the first is mostly limited to life-cycle events, while the second is considered by participants as "stronger, easier and faster solidarity" (*op. cit.*). Yet even voluntary reciprocity should not be idealized. For example, the self-organization of women in popular economy, while deserving respect, can provide an excuse for governments for not implementing necessary social protection reforms and perpetuating second class citizenship, as illustrated by the case of women's solidarity economy groups in El Alto. Redistribution, lastly, provides essential resources to cope with different risks by directing large flows of resources towards vulnerable populations. But solidarity here takes the form of a vertical relation between the center and the beneficiaries of redistribution, as illustrated by the top-down relations between some popular organizations and the NGOs supporting them in Brazil, Bolivia or South Kivu. Redistribution does not generally challenge existing hierarchies.

Two main conclusions arise from this analysis. Firstly, if solidarity economy is to be considered a positive category from the point of view of emancipation and the democratization of the economy, it cannot be equated with all practices based on householding, reciprocity and redistribution as sources of protection. Concerned with the double movement of marketisation and protection of society, Polanyi (1944) probably idealized society as a source of protection. He neglected the fact that "historically, the meanings and norms that have served to embed markets have often been hierarchical and exclusionary" (Fraser, 2013: 50). Conversely, Polanyi generally ignored the possibility of emancipation through the market, for example when selling their own products on the market allows poor women to escape patriarchal domination or allows members of cooperatives to overcome dependency upon NGOs (e.g. market-driven cooperatives in South Brazil studied by Lemaître). Therefore, a neo-Polanyian framework for a realistic analysis of solidarity economy should carefully distinguish between different types of interdependence from the point of view of domination and emancipation.

Secondly, solidarity in popular economy appears mostly as a reaction against specific risks and based on the possibility of developing relations of mutual aid at the family and community level, within informal organizations and sometimes in relation with governmental policies or support provided by NGOs. It is therefore multi-leveled, crosses boundaries of informality and formality and is often fragmentary, leaving wide aspects of people's lives unprotected. Relevant policies to strengthen adaptive capacities in the popular and solidarity economy must take these findings into account; we will return to this point in conclusion.

Some examples of multi-scalar intervention in solidarity economy

The four case-studies presented in this section are developed by Lemaître, Hillenkamp, Vázquez and Carvalho de França Filho *et al.* in the book to which the article refers (Hillenkamp et al., forthcoming).

In the case of Brazil, Lemaître shows that, as a result of the social crisis of the 1980s, popular actors and civil society groups which supported these actors (e.g. NGOs, social movements, churches) saw the need "to develop concrete options – immediate, medium and long-term economic alternatives – which would boost struggles, previously mainly centered on the conquest of the political sphere to transform unfair structures or require the elaboration of social policies. Many initiatives appeared, which constituted new spaces for discussion and social practice" (Sarria Icaza, 2006: 2). Many local projects were developed, notably grassroots cooperatives and community production groups. In Lemaître's empirical analysis, two clusters of popular cooperatives have been clearly identified from a local development point of view: the first group of cooperatives participates in the construction of their territory by increasing local *political* control through the empowerment of workers and by promoting their access to the public domain. The second group of cooperatives participates in the construction of their territory by expanding local *economic* control with greater and more stable employment and income creation. The substantive approach of the research makes it possible to recognize the plurality of benefits that can be generated by the cooperatives in the reduction of vulnerabilities. Indeed, according to Lemaître, it enables an analysis of their effectiveness not only (1) in reducing material vulnerability and securing employment (i.e. *the economic dimension of the reduction of vulnerabilities*, in distributional terms), but also (2) in developing social networks and social cohesion (i.e. *the social dimension of the reduction of vulnerabilities*, in terms of relations and recognition) and (3) in the construction of the democratic process (i.e. *the political dimension of the reduction of vulnerabilities*). This last aspect is related to the ability of workers to develop a voice, first, in the domain of work – through which they gain access to public life – and then in the public sphere in general, in the making of societal choices – leading to the possibility for the deprived populations to produce and control their own history. But Lemaître adds that the concurrent pursuit of multiple objectives is not easy for popular cooperatives, and responding to economic, social, political and environmental needs may involve tensions. This is why some authors stress that the sustainability of such organizations relies on the broader conditions of their institutionalization, i.e. on political recognition of the socio-economic pluralism (Fraisse, 2003; Lemaître, 2009).

In the case of El Alto, Hillenkamp shows that solidarity economy has acquired significance as a form of protection in the popular economy. Men or women producers with a similar activity, generally in the handicrafts sector (e.g. weavers, producers of musical instruments, tailors, carpenters and goldsmiths) form an association, a cooperative or an informal group. Based on reciprocity and the acceptance of social obligation between producers, these groups aim primarily at reducing vulnerability resulting from the disadvantageous position of individual producers on the markets, due to their low level of production and limited radius of sale. Another reason for producers to join a group is to collectively access training, funding and support programmes. However, Hillenkamp provides evidence of the limitations of protection based on local resources in the popular economy and the complementary role of State welfare programmes (such as pensions and health insurance schemes for informal workers) and policies of economic promotion (in particular access to markets and financial schemes for organizations of producers). Showing the interaction between economic practices, protection and solidarity thus points to the necessity of a much stronger integration of the fields of social protection and economic promotion through public policy.

The case study of the workers' cooperative, *Union Solidaria de Trabajadores* (UST), located on the periphery of Buenos Aires city, presented by Vázquez analyses a "recovered enterprise" that resumed productive activities when the capitalist company where its members previously worked closed down. As Vázquez notes, "over the years, it has gained rich experience in self-managed work and community development. During these years, it has been able to restore its jobs and has even generated new employment opportunities for the youth from the local community. It also offers several activities and social services for the development of its neighbourhoud, which is its most innovative aspect. However, despite its considerable achievements in realizing its productive and social goals, UST's workers are still in a relatively vulnerable position. This is because, as self-managed workers, they do not have social security protection similar to that of formal, salaried workers, since, historically, national regulations relating to social security have been designed only for salaried employees (Vázquez, 2011). This case-study provides an example of the vulnerable situation of self-managed workers due to the inadequacy of legal and institutional frameworks that regulate them, despite their successful performance in various aspects" (pp. 120-1).

Carvalho de França Filho *et al.* present the case-study of the Community Development Banks in Brazil. The first one was conceived in 1998, with the aim of supporting a development project initiative of the residents of the Conjunto Palmeiras, a district of approximately 40,000 inhabitants situated on the outskirts of Fortaleza, capital of the northeastern state of Ceará in Brazil (Carvalho de França Filho and Silva Júnior, 2006). The Banco Palmas soon became well-known because of its innovative practices that "integrate into the same scenario of credit instruments, production, marketing and consumption, in order to stretch the supply chains providing the opportunity of work and income for its residents" (Melo Neto and Magalhães, 2003 – quoted in Carvalho de Franca Filho et al., 2012). Fitting into the overall notion of solidarity finance, the community development bank (CDB) can be defined as an associative and community-based financial system aimed at generating employment and income in areas of socio-economically vulnerable populations, driven by the precepts of solidarity economics (Carvalho de França Filho, 2007). As the authors note, "a network of CDBs has been created, whose performance in 2010 and 2011 has been largely marked by the implementation of the first national project by the National Secretariat of Solidarity Economy (SENAES/MTE) entitled, 'Action to promote solidarity finance based on community banks and solidarity funds', which shaped the first national policy for solidarity finance in Brazil. Despite the absence of revolving fund resources for the CDBs, the proposals of the national entity and its regional bodies provided for the creation of 43 other CDBs and the consolidation of existing ones through the hiring of loan officers and technical advisors; training and capacity-building of local staff; purchasing equipment and institutional structuring; and connection of their regional networks. By the end of 2011, there were 67 CDBs deployed by the Brazilian Network of CDBs in different cities nationwide" (p. 218). "The project served to deepen partnerships and catalyse efforts to increase the use of CDBs as part of a widespread policy of encouraging the creation of jobs and incomes for socially excluded populations" (p. 217).

Conclusion

This paper shows the importance of exploring cross-scale influences on the popular economy in order to identify, formulate and implement relevant policies and appropriate interventions aimed at: (i) strengthening adaptive capacities at local, regional and national levels; (ii) reducing communities' vulnerability to shocks and threats and (iii) securing and improving livelihoods through the expansion of the solidarity economy.

Adaptive management often seems to have prevailed in history, but there are many situations where what did emerge was not sufficient to maintain the adaptive capacities of the system. It cannot be assumed that popular economy actors left to their own devices will be able to manage multiform stressors and respond to acute crisis. To this extent, we need to move from idealizing local community initiatives to trying to understand which among these practices of resistance, survival, solidarity and security-enhancing livelihoods can lead to a reinvention of "being and doing" together that could be supported by appropriate policy frameworks.

Solidarity economy can provide complementary paths to development that bring together in a coherent manner the concerns of economic sustainability, social justice, ecological balance, political stability, conflict resolution and gender equality. But there are limits to autonomous adaptation because of numerous constraints (e.g. extreme deprivation, poor infrastructure and market opportunities, lack of skills). Empirical evidence suggests that the most effective adaptations are multi-scalar, which leads to a different reading of the popular economy and requires innovative policy intervention by the State. The capacity of households to cope with vulnerabilities depends on the adaptive capacity of their community which itself depends on the institutional and policy frameworks at regional and national levels (Yohe and Tol, 2002).

This implies the need for giving more thought to how national policy-makers could encourage transformative development from below and thus foster synergies, modularity and connection between the local, regional and the national levels in ways that increase the various options for ensuring security of livelihoods rather than constraining them. The valorization of local or popular economy actors in development dynamics requires a redefinition of the role of the State rather than its withdrawal. Local or community scales can face major global threats and solutions can go far beyond local resources or local adaptive capacities. Then the State needs to take action beyond the local level but also to provide local actors the means and skills to respond to those challenges. Another dimension of the problem is temporal as it is crucial to articulate short-term local demands and practices with long-term considerations for sustainable development.

This policy shift could be implemented through support to the solidarity economy and to the associative initiatives of popular actors. Participatory budgeting experiments in Latin American cities such as Porto Alegre, Buenos Aires, or Villa Salvador, show that "participatory governance" can be an effective and efficient way to fight vulnerabilities, reduce poverty and strengthen local communities' adaptive capacities to mitigate crises and improve their livelihoods (Gret and Sintomer, 2005). Expanding solidarity economy actors' options for securing livelihoods requires major social innovations to support "empowered deliberative democracy" processes (Cornwall and Schattan, 2007). This institutionalization of popular participation in decision making processes is a powerful tool to support alternative development paths.

References

Anderson, M. B., and Woodrow, P. J. 1989/1998. *Rising from the Ashes: Development Strategies in Times of Disaster*. Boulder: Westview.

Berkes, F., Colding, J. and Folke, C. 2003. *Navigating Social-Ecological Systems*. Cambridge: Cambridge University Press.

Cannon, T. 2008. *Reducing People's Vulnerability to Natural Hazards: Communities and Resilience*. Research Paper No. 2008/34, UNU-WIDER.

Carvalho de França Filho, G. and Silva Júnior, J. T. 2006. 'Uma dinâmica associativa emblemática no nordeste brasileiro', in França Filho, G C et al. (eds.), *Ação Pública e economia solidária: uma perspectiva internacional,* Publisher Edufrgs-Edufba, Porto Alegre and Salvador, pp. 97–119.

Carvalho de França Filho, G. 2007. "Considerações sobre um marco teórico-analítico para a experiência dos Bancos Comunitários", *Proceedings of the Encontro da Rede Brasileira de Bancos Comunitários*, REDE-BCDs, Fortaleza.

Carvalho de Franca Filho G. et alii, 2012. "Policies of Microcredit in Brazil : an analysis from the case of Community Development Banks (CDBs) ", *Revue du MAUSS permanente*, 3 mars 2012 [en ligne]. http://www.journaldumauss.net/spip.php?article883

Carvalho de França Filho, G, Scalfoni Rigo A and Torres Silva Júnior J. Forthcoming. "Microcredit Policies in Brazil: An Analysis of Community Development Banks" in Hillenkamp, I., F. Lapeyre and A. Lemaître (eds.). *Securing Livelihoods. Informal Economy Practices and Institutions*. Oxford University Press, Oxford.

Charlier, S. 2006. *L'économie solidaire au féminin : quel apport spécifique pour l'empoderamiento des femmes ? Une étude de cas dans les Andes boliviennes.* PhD Thesis in Social Sciences, Catholic University of Louvain.

Coraggio, J. L. 1994. "La construcción de una economía popular: vía para el desarrollo humano." *Revista de Economía y Trabajo,* Vol. II.

Coraggio, J. L. 2002. 'La propuesta de economía solidaria frente a la economía neoliberal, Foro Social Mundial, Conferencia sobre Economía Solidaria, Eje I La producción de riquezas y la reproducción social'. São Paulo: Incubadora Tecnológica de Cooperativas Populares, University of São Paulo.

Coraggio, J. L. 2006. "Économie du travail." In J.-L. Laville and A. D. Cattani (eds.), *Dictionnaire de l'autre économie.* Desclée de Brouwer, Paris

Cornwall, A. and Schattan Coelho, V. (eds.). 2007. *Spaces for Change: The Politics of Participation in New Democratic Arenas*. Zed Books, London.

Degavre, F. and A. Lemaître 2008. 'Approches substantives de l'économie : des outils pour l'étude des organisations d'économie sociale'. *Interventions Economiques* (38), December.

Fraser, N. 2013. "Marchandisation, protection sociale, émancipation : vers une conception néo-polanyienne de la crise capitaliste." In I. Hillenkamp and J.-L. Laville (eds.), *Socioéconomie et démocratie. L'actualité de Karl Polanyi.* Erès, Toulouse.

Fraisse, L. 2003. 'Economie solidaire et démocratisation de l'économie'. *Hermès, Economie solidaire et démocratie*, 36. Paris: CNRS éditions, pp. 137–145.

Gret, M. and Sintomer, Y. 2005. *The Porto Alegre Experiment*. Zed Books, London.

Guyer, J. 2004. *Marginal Gains. Monetary Transactions in Atlantic Africa*. University of Chicago Press, Chicago and London.

Hart, K. 1973. "Informal Income Opportunities and Urban Employment in Ghana". *Journal of Modern African Studies* (11), pp. 61-89.

Hart, K. 2006. *Informal Economy,* www.thememorybank.co.uk/publications/informal_economy, accessed on 13 October 2006.

Hillenkamp, I. 2009. *Formes d'intégration de l'économie dans les démocraties de marché : une théorie substantive à partir de l'étude du mouvement d'économie solidaire dans la ville d'El Alto (Bolivie).* PhD Thesis in Development Studies, Graduate Institute of International and Development Studies, University of Geneva.

Hillenkamp, I. 2013. "Le principe de householding aujourd'hui. Discussion théorique et approche empirique par l'économie populaire". In I. Hillenkamp and J.-L. Laville (eds.), *Socioéconomie et démocratie. L'actualité de Karl Polanyi.* Erès, Toulouse.

Hillenkamp, I., F. Lapeyre and A. Lemaître (eds.). Forthcoming. *Securing Livelihoods. Informal Economy Practices and Institutions*. Oxford University Press, Oxford.

Hillenkamp, I. Forthcoming. "Solidarity and Protection in Bolivian Popular Economy" in Hillenkamp, I., F. Lapeyre and A. Lemaître (eds.). *Securing Livelihoods. Informal Economy Practices and Institutions*. Oxford University Press, Oxford.

Hinkelammert, F. J. and H. Mora Jiménez. 2009. "Por una economía orientada hacia la reproduccion de la vida." *Iconos. Revista de Ciencias Sociales,* Vol. 33, pp. 39-49.

Hull, E. and D. James (eds.). 2012. *Popular Economies in South Africa*. Africa, 82 [special issue].

International Labour Organization (ILO) (F. Lapeyre and P. Marcadent, Coord.). 2009. The Informal Economy in Africa: Promoting Transition to Formality. Challenges and Strategies. Geneva: ILO.

Lapeyre, F. 2013. "Securing livelihoods in Africa: Towards multi-scalar policy frameworks", *European Journal of Development Studies:* European Journal of Development Research advance online publication, 7 March 2013; doi:10.1057/ejdr.2013.5.

Lemaître, A. 2009. *Organisations d'économie sociale et solidaire. Lectures de réalités Nord et Sud à travers l'encastrement politique et une approche plurielle de l'économie*. Louvain-la-Neuve: Presses Universitaires de Louvain.

Lemaître, A., M. Richer and G. Carvalho de França Filho 2011. 'L'économie solidaire face à l'Etat en Amérique Latine. Les dynamiques contrastées du Brésil et du Venezuela'. *Revue Tiers Mond*e. *Etudes interdisciplinaires sur les questions de développement* (208), October-December: 159–175.

Lemaître, A. Forthcoming. "Popular Cooperatives and Local Development in Southeast Brazil: Towards Socio-Economic Pluralism" in Hillenkamp, I., F. Lapeyre and A. Lemaître (eds.). *Securing Livelihoods. Informal Economy Practices and Institutions*. Oxford University Press, Oxford.

le Polain M. and Nyssens M. Forthcoming. « An Analysis of the Socio-economic Logics Underpinning Formal and Informal Strategies for Coping with Economic Hardships in South Kivu, Democratic Republic of the Congo" in Hillenkamp, I., F. Lapeyre and A. Lemaître (eds.). *Securing Livelihoods. Informal Economy Practices and Institutions*. Oxford University Press, Oxford.

Melo Neto, J. J. and Magalhães, S. 2007. *Bancos Comunitários de Desenvolvimento, uma rede sob o controle da comunidade*, Publisher Arte Visual, Fortaleza.

Morvant-Roux, S., Guérin I. and Roesc, M. Forthcoming. "Demand for Microcredit, Informal Finance and Vulnerability in Rural Morocco" in Hillenkamp, I., F. Lapeyre and A. Lemaître (eds.). *Securing Livelihoods. Informal Economy Practices and Institutions*. Oxford University Press, Oxford.

Núñez, O. 1996. *La economía popular, asociativa y autogestionaria* Centro para la Promoción, la Investigación y el Desarrollo Rural Social, Managua.

Nyssens, M. 1994. *Quatre essais sur l'économie populaire urbaine: le cas de Santiago du Chili.* PhD Thesis in Economic Sciences, Catholic University of Louvain.

Peemans, J.-P. 1997. *Crise de la modernisation et pratiques populaires au Zaïre et en Afrique*. L'Harmattan, Paris.

Polanyi, K. 1944. *The Great Transformation. The political and Economic Origins of Our Time*. Boston, MA: Beacon Press.

Polanyi, K. 1957. 'The Economy as Instituted Process', in K. Polanyi, C. M. Arensberg, and H. W Pearson (eds.), *Trade and Market in the Early Empires: Economies in History and Th*eory. New York and London: The Free Press and Collier-Macmillan Limited: 243–270.

Quijano, A. 1990. "La nueva heterogeneidad estructural de América Latina." *Hueso Húmero,* Vol. 26, pp. 8-33.

Razeto, L. 1984. *Economía de solidaridad y Mercado democrático*. Programa de Economía del Trabajo, Santiago de Chile.

Robbins, L. 1932. *An Essay on the Nature and Significance of Economic Science*. New York: New York University Press.

Saiag, H. Forthcoming. "Financial Practices as Adaptations to Increasing Vulnerability. The Dynamics of Solidarity and Protection in the Suburbs of Rosario, Argentina" in Hillenkamp, I., F. Lapeyre and A. Lemaître (eds.). *Securing Livelihoods. Informal Economy Practices and Institutions*. Oxford University Press, Oxford.

Sarria Icaza, A. M. 2006. 'Tercer Sector y Economía Solidaria en el Sur de Brasil: características y perspectivas'. *Red de Investigadores Latinoamericanos de Economía Social y Solidaria* (RILESS); available at: http://www.riless.org.

Sarria Icaza, A. M. 2008. *Economía solidaria, acción colectiva y espacio público en el sur de Brasil*. Louvain-la-Neuve: Presses Universitaires de Louvain.

Sarria Icaza, A. M. and L. Tiriba 2006. 'Economie populaire', in J.-L. Laville and A. D. Cattani (eds.), *Dictionnaire de l'autre économie*. Paris: Gallimard: 259–268.

Scott, J. C. 1985. *Weapons of the weak*. New Haven: Yale University Press.

Totolo, E. Forthcoming. "Exploring the Black-Box of Economic Informality: Social Networks and Institutional Change among Micro and Small Enterprises in Nairobi, Kenya" in Hillenkamp, I., F. Lapeyre and A. Lemaître (eds.). *Securing Livelihoods. Informal Economy Practices and Institutions*. Oxford University Press, Oxford.

Trefon, T. (ed.) (2004) *Ordre et désordre à Kinshasa Réponses populaires à la faillite de l'Etat*. Paris: L'Harmattan.

Umuhire P. G. and Nyssens M. Forthcoming. "Informal and Formal Microfinance in Urban Sub-Saharan African Markets: the Case of Micro-Entrepreneurs in Ouagadougou, Burkina Faso" in Hillenkamp, I., F. Lapeyre and A. Lemaître (eds.). *Securing Livelihoods. Informal Economy Practices and Institutions*. Oxford University Press, Oxford.

Vázquez, G. 2011. 'Sobre los conceptos de trabajo asociativo y autogestionado, sus organizaciones y trabajadores', in C. Danani and S. Hintze (eds.), *Protecciones y desprotecciones: la seguridad social en la argentina 1990-2010.* Los Polvorines: UNGS.

Vázquez, G. Forthcoming. "Self-managed Work, Social Protection and Community Development: The Case of the UST Cooperative (Argentina)" in Hillenkamp, I., F. Lapeyre and A. Lemaître (eds.). *Securing Livelihoods. Informal Economy Practices and Institutions*. Oxford University Press, Oxford.